

RETURN TO USE INITIATIVE

2011 Demonstration Project

REYNOLDS METALS COMPANY:

Troutdale, Oregon

THE SITE: The Reynolds Metals site (the Site) located in Troutdale, Oregon, borders the Columbia River to the north, the Sandy River to the east and spans over 700 acres. Eighty acres of the Site housed the Reynolds Metals Plant, which converted alumina from bauxite ore to aluminum. The United States government built the aluminum reduction plant in 1941 to support war-time operations and Reynolds Metals purchased the plant in 1949. The facility generated large quantities of hazardous waste until 1993 when EPA discovered elevated concentrations of cyanide and fluoride in several on-site drinking wells; significant levels of aluminum, barium, manganese, cyanide and fluoride in surface water samples; and concentrations of arsenic, beryllium, fluoride and high levels of tetrachloroethene (PCE) in the ground water. EPA added the Site to the Superfund National Priorities List in 1994 and implemented cleanup of the Site in phases, the last of which was completed in 2006. Remedial efforts divided the property into four sections and included: excavation/removal and off-site disposal of contaminants and soil; dewatering of contaminated sumps; the redirection of runoff to prevent further contamination; and the installation of ground water monitoring wells. Alcoa, who purchased the property in 2000, began demolition of the plant in 2003, and prepared the Site for redevelopment by constructing a focused extraction/production well optimization system to bring ground water contaminant levels below the maximum contaminant levels established by the Safe Drinking Water Act. Alcoa sold the property to the Port of Portland in 2008.

THE OPPORTUNITY: As a new owner, the Port of Portland was dedicated to finding a purchaser who would be committed to continuing remedial efforts on the Site. They were prepared to compile incentives to attract potential purchasers and willing to work with local government officials to encourage reuse.



PICTURED: Construction efforts on the Reynolds Metals site.
(Source: www.theoutlookonline.com)

BARRIERS: Stakeholders and potential investors were concerned and developers being dissuaded by the financial burdens and complications that would be involved in construction because of the Site's institutional controls.

SOLUTION: Port of Portland procured a loan package for potential purchasers and the city of Troutdale created an enterprise zone to allow tax breaks for large employers on the site.



PICTURED: Aerial view of the FedEx distribution center.
(Source: http://www.oregonlive.com/business/index.ssf/2010/04/fedex_distribution_center_prom.htm)

BEFORE: A vacant, former aluminum reduction plant.

AFTER: \$130 million FedEx distribution center with approximately 750 employees.

BARRIERS: Though the remedy for the Site had been implemented, potential developers were dissuaded by the immense size of the Site and its costly monitoring operations. The institutional controls, though set in place to prevent exposure and limit ground water usage, would require expensive building procedures and caused reservations for reuse on the part of stakeholders, new owners and potentially interested purchasers. In addition, the local real estate market collapsed in 2007; in the Portland area 7.7 million square feet or 14.9 percent of usable industrial land space was unoccupied.

THE SOLUTION: To spur interest and help ease the financial worries of potential purchasers in the current real estate market, Port of Portland procured a loan package in May 2008 and the city of Troutdale created an enterprise zone to allow property tax breaks for FedEx and/or other potentially interested large employers. In October 2008, after extensive collaborative efforts by the Port of Portland, FedEx, the city of Troutdale, Oregon Department of Environmental Equality and EPA, FedEx bought 78 acres of the former Reynolds Metals Company site. Thanks to the loan package, active communication between stakeholders and Port of Portland's \$14 million investment in the Site, (now called Troutdale Reynolds Industrial Park), FedEx was willing to work with the institutional controls while building. FedEx constructed their facility above grade on a network of 1700 piles, driven 65 feet into the ground, and pressure tested the storm water system to ensure structural integrity and conformance with the current ground water remediation system.

THE SITE NOW: In April 2010, FedEx was awarded the Oregon Brownfield Award by Business Oregon and the Oregon Department of Environmental Quality for its extraordinary efforts in reuse on the Reynolds Metals Company Superfund site. During the summer of 2010, FedEx opened a 447,000-square-foot regional distribution center. The \$130 million dollar distribution center employs 750 people and is anticipated to employ approximately 1000 employees in the following years. FedEx's initial \$24 million payroll is expected to increase to \$57 million by the beginning of 2012, which will help accelerate the local economy and encourage other developers to purchase and reuse other Superfund site land in Troutdale. In April 2011, the Phoenix Awards Institute recognized the Site with the 2011 Phoenix Award. This prestigious award recognizes the innovative redevelopment efforts that have made the reuse of the Reynolds Metals Company site successful.

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